

EXHIBIT 1

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Louis M. Bubala III

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MISSOURI KANSAS ILLINOIS NEVADA SHANGHAI

June 3, 2011

Marc J. Blau
U.S. Securities and Exchange Commission
5670 Wilshire Blvd., 11th Floor
Los Angeles, Ca 90036

Via Certified Mail, Return Receipt
Requested
And via Email: Blaum@sec.gov

Re: In the Matter of American Pacific Financial Corp. (LA-3944)
Our Matter No. 30916.1

Dear Mr. Blau,

I am responding to the your letter and subpoena dated May 31, 2011, received via email on May 31, 2011, and via UPS on June 2, 2011. My firm, as you know, is counsel to the Official Committee of the Unsecured Creditors in the bankruptcy proceedings, *In re American Pacific Financial Corp.*, Case No. BK-S-10-27855-BAM (Bankr. D. Nev.).

Your subpoena requests the following: "The report prepared by McGovern & Greene LLP on behalf of the Committee of Unsecured Creditors, as identified in Docket No. 256 filed in *In re: American Pacific Financial Corporation*, Case No. BK-S-10-27855-BAM."

I have reviewed Docket No. 256, which is entitled "Response of the Official Committee of Unsecured Creditors to Ex Parte Motion to File Supplemental Declaration of Paul Hazell in Support of Motion for Appointment of Trustee Under Seal."

The report which you seek is 84 pages. I am in possession of a copy, and it is marked by my office with the Bates Stamps of UCC 0001 to UCC 0084 in response to your subpoena.

The report, however, is not attached. The committee objects to the subpoena. Fed. R. Civ. P. 81(a)(5), inc. by ref. Fed. R. Civ. P. 45(c)(2)(B). The committee objects on the grounds that it is not properly served, Fed. R. Civ. P. 81(a)(5), inc. by ref. Fed. R. Civ. P. 45(b)(1); the location of production is not proper, Fed. R. Civ. P. 81(a)(5), inc. by ref. Fed. R. Civ. P. 45(b)(2)(B); and the lack of a substantial need for the report, Fed. R. Civ. P. 81(a)(5), inc. by ref. Fed. R. Civ. P. 45(c)(3)(C). Additionally, the report is protected by the attorney-client privilege, the attorney-work product privilege, and the accountant-client privilege under Chapter 49 of the Nevada Revised Statutes and/or related federal protections. Fed. R. Civ. P. 81(a)(5), inc. by ref. Fed. R. Civ. P. 45(d)(2)(A) and Fed. R. Civ. P. 26(b). I advised you and Ms. Moyed of the privileges during a phone call during May 2011 when I declined your request for the committee

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to voluntarily produce the report. Those objections are evidenced by Docket No. 256 identified in your subpoena. The committee continues to assert the privileges as a proper basis to decline to provide the report in response to your subpoena.

I am providing the following information requested by your letter, which would constitute the committee's privilege log:

1. Author: McGovern & Greene, LLP, Certified Public Accountants & Consultants, by Craig Greene, CPA, in consultation with Louis M. Bubala III, Esq. (unidentified as author in report).
2. Date: January 26, 2011
3. Subject Matter: Research and evaluation of American Pacific Financial Corporation for the committee to inform the committee concerning its role in the bankruptcy case.
4. Name of the person who has the item now: Craig Greene, CPA.
5. Names of everyone who ever had the item or a copy of it, and the names of everyone who was told the item's contents: Craig Greene, CPA, as retained accountant to the committee; Louis M. Bubala III, Esq., and Janet L. Chubb, Esq., and associated staff of Armstrong Teasdale, LLP, as retained counsel to the committee; the individual committee members: Thomas L. Davis, Paul Hazell, Joseph C. McCoy, Rosemary Nguyen, Raj K. Sindher, David Sladek, Nick Testa and Jerome F. Wall. It also would appear that Mr. Hazell's personal attorney, Lenard Schwartz, may have seen the report, based on the motion he filed seeking to file the report under seal (to which the committee filed the reference response as Docket No. 256). Per my prior discussions with you and Ms. Moyed, I also understand that you received an anonymous mailing of what you believed was the report, and for which you returned to me without review of the document, as I understood consistent with your legal and ethical obligations. Mr. Greene, primarily, and I had discussions with Larry Polhill and American Pacific Financial Corporation's attorney, Kaaran Thomas, Esq., in developing the report and making further inquiries based upon the report.
6. The reason the report is not produced: As stated above, the committee has objected to the subpoena.
7. The attorney and client involved: Louis M. Bubala III, Esq., primarily, and Janet L. Chubb, Esq., of Armstrong Teasdale LLP are counsel to their client, the Official Committee of Unsecured Creditors in the bankruptcy case of American Pacific Financial Corporation.

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Marc, I hope you appreciate the privilege issue that we previously discussed. I am available to talk about the issue, but at this point the committee has declined to waive the privileges.

Sincerely,

A handwritten signature in black ink, appearing to read 'LMB', followed by a stylized flourish.

Louis M. Bubala III

LMB/bjs

cc: Craig Greene, CPA, via email